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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No 1545-0052

2010Department of the Treasury
Internal Revenue Service

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning DEC 23, 2010, and ending MAR 31, 2011

G Check all that apply ☐ Initial return ☒ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation WILLIAM LAWRENCE AND BLANCHE HUGHES FOUNDATION		A Employer identification number 95-4536657
Number and street (or P.O. box number if mail is not delivered to street address) 22917 PACIFIC COAST HIGHWAY	Room/suite 300A	B Telephone number (310) 774-5300
City or town, state, and ZIP code MALIBU, CA 90265		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 25,219,416. (Part I, column (d) must be on cash basis.)	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		344,015.	344,015.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		102.			
b Gross sales price for all assets on line 6a		102.			
7 Capital gain net income (from Part IV, line 2)			102.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		344,117.	344,117.		
13 Compensation of officers, directors, trustees, etc		30,000.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees		3,786.	0.		0.
b Accounting fees					
c Other professional fees					
17 Interest					
18 Taxes		7,165.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		624.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		41,575.	0.		0.
25 Contributions, gifts, grants paid		220,000.			220,000.
26 Total expenses and disbursements. Add lines 24 and 25		261,575.	0.		220,000.
27 Subtract line 26 from line 12		82,542.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			344,117.		
c Adjusted net income (if negative, enter -0-)				N/A	

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FOUNDATION**

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	425,951.	169,600.	169,600.
	2 Savings and temporary cash investments	858,052.	1,202,169.	1,202,169.
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	321.	1,997.	1,997.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 5	21,691,350.	23,845,650.	23,845,650.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
Liabilities	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	22,975,674.	25,219,416.	25,219,416.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 6)	0.	6,900.	
	23 Total liabilities (add lines 17 through 22)	0.	6,900.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> X and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted	22,975,674.	25,212,516.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances	22,975,674.	25,212,516.	
	31 Total liabilities and net assets/fund balances	22,975,674.	25,219,416.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	22,975,674.
2 Enter amount from Part I, line 27a	2	82,542.
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED GAINS/LOSSES	3	2,154,300.
4 Add lines 1, 2, and 3	4	25,212,516.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	25,212,516.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a PUBLIC STORAGE - FROM 1099 DIVIDENDS		P		
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 102.			102.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a			102.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2 102.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		{ If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8		3 N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009			
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)

2

3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate
See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	6,882.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	6,882.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	6,882.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	26,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	26,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	19,118.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11	19,118.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	X	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► DAVID SINGELYN, TREASURER Telephone no ► (310) 774-5300 Located at ► 22917 PACIFIC COAST HIGHWAY #300A, MALIBU, CA ZIP+4 ► 90265			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15 N/A		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► N/A		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7		30,000.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

▶ 0

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	23,017,631.
b	Average of monthly cash balances	1b	1,415,506.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	24,433,137.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	24,433,137.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	366,497.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	24,066,640.
6	Minimum investment return. Enter 5% of line 5 ADJUSTED FOR SHORT TAX PERIOD	6	326,392.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	326,392.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	6,882.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	6,882.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	319,510.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	319,510.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	319,510.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	220,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	220,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	220,000.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				319,510.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 220,000.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				220,000.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				99,510.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) **N/A**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities					
Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

DR. PHILLIP KOEFFLER-WILLIAM LAWRENCE AND BLANCHE HUGHES FNDN, 310-774-5300
22917 PACIFIC COAST HIGHWAY, #300, MALIBU, CA 90265

b The form in which applications should be submitted and information and materials they should include

MEDICAL RESEARCH GRANT PROPOSAL

c Any submission deadlines

ONGOING

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

GRANTS ARE AWARDED TO NON-PROFITS IN THE FIELD OF MEDICAL RESEARCH RELATED TO PEDIATRIC ACUTE LYMPHOCYTIC LEUKEMIA.

3 Grants and Contributions Paid During the Year or Approved for Future Payment

023611 12-07-10

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
STOCK DIVIDEND INCOME	344,015.	0.	344,015.
TOTAL TO FM 990-PF, PART I, LN 4	344,015.	0.	344,015.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	3,786.	0.		0.
TO FM 990-PF, PG 1, LN 16A	3,786.	0.		0.

FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CA FILING FEES	265.	0.		0.
INCOME TAXES	6,900.	0.		0.
TO FORM 990-PF, PG 1, LN 18	7,165.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE	624.	0.		0.
TO FORM 990-PF, PG 1, LN 23	624.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PUBLIC STORAGE *	23,845,650.	23,845,650.
TOTAL TO FORM 990-PF, PART II, LINE 10B	23,845,650.	23,845,650.

* See attached statement for shares and basis information.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	6
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DESCRIPTION	BOY AMOUNT	EOY AMOUNT
INCOME TAXES PAYABLE	0.	6,900.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	6,900.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	7
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
H. PHILLIP KOEFFLER, M.D. 22917 PACIFIC COAST HWY., STE 300A MALIBU, CA 90265	PRESIDENT/DIRECTOR 10.00	30,000.	0.	0.
B. WAYNE HUGHES, JR. 22917 PACIFIC COAST HWY., STE 300A MALIBU, CA 90265	DIRECTOR 0.10	0.	0.	0.
ERIC GUSTAVSON 22917 PACIFIC COAST HWY., STE 300A MALIBU, CA 90265	DIRECTOR 0.10	0.	0.	0.
DAVID SINGELYN 22917 PACIFIC COAST HWY., STE 300A MALIBU, CA 90265	TREASURER 0.30	0.	0.	0.
DAVID GOLDBERG 22917 PACIFIC COAST HWY., STE 300A MALIBU, CA 90265	SECRETARY 0.10	0.	0.	0.

RAYMOND HUNING	ASSISTANT TREASURER			
22917 PACIFIC COAST HWY., STE 300A	0.30	0.	0.	0.
MALIBU, CA 90265				

SARA H. VOGT-LOWELL	ASSISTANT SECRETARY			
22917 PACIFIC COAST HWY., STE 300A	0.30	0.	0.	0.
MALIBU, CA 90265				

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

30,000.

0.

0.

William Lawrence & Blanche Hughes Foundation
FMV of Public Storage Stocks
12/23/2010-3/31/2011

<u>Shares held</u> <u>at 3/31/2011</u>	<u>Held by</u>	<u>Trade</u> <u>Symbol</u>	<u>Cost</u>	<u>Total Cost</u>	<u>Total FMV</u> <u>at 3/31/2011</u>	<u>Cumulative</u> <u>Unrealized Gain</u>
215,000	Northern Trust	PSA	\$ 74 66000	16,051,900	23,845,650	A 7,793,750

A Total FMV at 3/31/2011 - to Form 990-PF, Part II, Line 10b

Bylaws of
William Lawrence and Blanche Hughes Foundation
A California Nonprofit Public Benefit Corporation
Without Members
Adopted November 30, 2010

Bylaws of
William Lawrence and Blanche Hughes Foundation
A California Nonprofit Public Benefit Corporation
Without Members

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Amended and Restated Bylaws of the
William Lawrence and Blanche Hughes Foundation
A California Nonprofit Public Benefit Corporation
Without Members
Adopted November 30, 2010

ARTICLE I

OFFICES

Section 1.01. **PRINCIPAL OFFICE** The corporation's principal office shall be fixed and located at such place as the Board of Directors (the "Board") shall determine. The Board is granted full power and authority to change said principal office from one location to another.

Section 1.02. **OTHER OFFICES.** Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE II

MEMBERSHIP

Section 2 01. **MEMBERS** The corporation shall have no members within the meaning of Section 5056 of the California Nonprofit Corporation Law (the "Law"). Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board

Section 2 02 **ASSOCIATES** Nothing in this Article II shall be construed as limiting the right of the corporation to refer to persons associated

with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the Law. The corporation may confer by amendment of its Articles of Incorporation (the "Articles") or of these Bylaws some or all of the rights of a member, as set forth in the Law, upon any person or persons who do not have the right to vote for the election of directors, on a disposition of substantially all of the assets of the corporation, on a merger or a dissolution of the corporation or on changes to the corporation's Articles or Bylaws, but no such person shall be a member within the meaning of Section 5056 of the Law.

ARTICLE III

DIRECTORS

Section 3.01. POWERS. Subject to any limitations in the Articles or these Bylaws and to compliance with any applicable laws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, management company, or committee, however composed; *provided that* the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove all officers, agents and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws, fix their compensation and require from them such security, if any, for faithful service as the Board may deem appropriate.

(b) To conduct, manage and control the affairs and activities of the corporation, and to make such rules and regulations therefor not inconsistent with law, the Articles or these Bylaws, as they may deem appropriate.

(c) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem appropriate, but failure to affix a seal does not affect the validity of any instrument.

(d) To assume obligations, enter into contracts, including contracts of guarantee or suretyship, incur liabilities, borrow or lend money or otherwise use its credit, and secure any of its obligations, contracts, or liabilities by mortgage, pledge or other encumbrance of all or any part of its property and income.

Section 3.02. NUMBER OF DIRECTORS. The authorized number of directors shall be not less than three (3) or more than five (5) until changed by amendment of the Articles or these Bylaws. The exact number and appointment of directors shall be fixed and can be changed, within the limits specified, by

resolution duly adopted by the Board. The initial number of directors shall be three (3) until changed as provided in this Section 3.02.

Section 3.03. SELECTION AND TERM OF OFFICE.

Directors shall be designated by B. Wayne Hughes, Sr., to take office upon designation. Such designation shall be in writing and shall be filed with the minutes of the Corporation. Each director shall serve at the pleasure of B. Wayne Hughes, Sr., and shall hold office until a successor has been designated and qualified. Upon removal, for any reason, of a director designated under this Section 3.03, a successor shall be designated by B. Wayne Hughes, Sr. Any director so designated may only be removed by the Board with the written consent of the designating person or persons

The right to designate directors may be assigned by B. Wayne Hughes, Sr., either temporarily or permanently and either on an *inter vivos* or testamentary basis, to any other individual(s) or entity(-ies), by a written instrument which makes specific reference to this provision of these Bylaws. If B. Wayne Hughes, Sr., is unable to designate and has failed to assign the right to designate one or more directors as described under this Section 3.03, the power of designation provided in this Section 3.03 shall expire and all directors shall thereafter be elected by the Board at each annual meeting to serve one-year terms.

Section 3.04. INTERESTED PERSONS. Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. For purposes of this Section 3.04, an interested person is:

(a) Any person currently being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person listed in Section 3.04(a) above.

Any violation of the provisions of this Section 3 04 shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 3.05. VACANCIES.

(a) Subject to the provisions of Section 5226 of the Law, any director may resign effective upon giving written notice to the Chair of the Board, the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected to take office when the resignation becomes effective.

(b) Vacancies on the Board shall be filled in the same manner prescribed under Section 3.03 of these Bylaws, provided that any vacancy to be filled by election of the directors may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director at any regular or special meeting of the Board. Each

director so selected shall hold office until the expiration of the term of the replaced director and until a successor has been selected and qualified.

(c) A vacancy on the Board shall be deemed to exist in case of the death, resignation or removal of any director or an increase in the authorized number of directors.

(d) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under Sections 5230 through 5239 of the Law. Subject to Section 5222(f) of the Law and Section 3.03 of these Bylaws, the Board may also remove any director without cause if the removal is approved by a majority of the directors then in office.

(e) The Superior Court of the proper county may, at the suit of a director, remove from office any director in case of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the corporation or breach of any duty arising under Sections 5230 through 5239 of the Law, and may bar from reelection any director so removed for a period prescribed by the Court. The corporation shall be made a party to such action and shall give notice to the Attorney General of the same.

(f) Any reduction of the authorized number of directors or any amendment reducing the number of classes of directors does not remove any director prior to the expiration of the director's term of office.

Section 3.06. PLACE OF MEETING. Meetings of the Board may be held at a place within or without the State of California that has been designated by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation

Section 3.07. ANNUAL MEETINGS The Board shall hold an annual meeting for the purposes of organization, selection of directors and officers, and the transaction of other business. Annual meetings of the Board shall be held on such dates and at such times as may be fixed by the Board.

Section 3.08. REGULAR MEETINGS Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by these Bylaws or the Board.

Section 3.09. SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board (if any) the President, any Vice President, the Secretary or any two (2) directors.

Section 3.10. NOTICE. A notice need not specify the purpose of any regular or special meeting of the Board.

Annual and special meetings of the Board shall be held upon four (4) days notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means.

Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place where the meetings of the directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient, or the recipient's voice messaging system or other system or technology designed to record and communicate messages, or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 3.11. QUORUM. A majority of the directors then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 3.15 of these Bylaws. An act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number be required by law, the Articles, or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of

directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or a greater number required by law, the Articles, or these Bylaws.

The following actions shall require a vote by a majority of the directors then in office in order to be effective:

- (a) The amendment of the Articles or the adoption of new Articles;
- (b) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (c) The dissolution of the corporation and winding up of business or any sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of its assets;
- (d) The approval of any self-dealing transaction (without counting the vote of any "interested director" as defined in Section 5233 of the Law), except that when it is not reasonably practicable to obtain approval of the Board prior to entering into such a transaction, a committee authorized by the Board may approve the transaction in a manner consistent with the standards set forth in Section 5233(d) of the Law subject to ratification by a majority of the directors then in office (without counting the vote of any "interested director" as defined in Section 5233 of the Law) at the next meeting of the Board;

(e) The establishment of any special or standing committees of the Board and any appointments to such committees; and

(g) The approval of any other action for which the Law requires approval of such a majority of the Board.

Section 3.12. DEADLOCKED BOARD. If the Board has an even number of directors who are equally divided and cannot agree as to the management of its affairs, so that its activities can no longer be conducted to advantage or so that there is danger that its property, activities, or business will be impaired or lost, the Superior Court of the proper county may, notwithstanding any provisions of the Articles or these Bylaws, appoint a provisional director meeting the qualifications set forth in Section 5225(e) of the Law. Action for such appointment may be brought by any director. Any person bringing such an action shall give notice to the Attorney General.

Section 3.13. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE, ELECTRONIC VIDEO SCREEN COMMUNICATION, OR OTHER COMMUNICATIONS EQUIPMENT. Members of the Board may participate in a meeting, or a committee meeting, through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone pursuant to this Section 3.13 constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this

Section 3.13 constitutes presence in person at that meeting if all of the following apply:

- (a) Each member participating in the meeting can communicate with all of the other members concurrently
- (b) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

Section 3.14. WAIVER OF NOTICE. Notice of a meeting need not be given to a director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. A waiver of notice need not specify the purpose of any regular or special meeting of the Board.

Section 3.15. ADJOURNMENT. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of an adjournment to

another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 3.16. ACTION WITHOUT MEETING. An action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as the unanimous vote of the directors. For the purposes of this Section 3.16 only, "all members of the Board" shall not include any "interested director" as defined in Section 5233 of the Law.

Directors may consent, vote or otherwise take action under this Section 3.16 by a signed document transmitted by mail, messenger, courier, facsimile or any other reasonable method satisfactory to the Chair of the Board (if any) or the President.

Section 3.17 RIGHTS OF INSPECTION. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 3.18. EXECUTIVE COMMITTEE Subject to the provisions of Section 3.20, the Board may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create an executive committee consisting of two or more directors, to serve at the pleasure of the Board, which, except when the Board is in session, and except as

its powers may be otherwise limited by the Board shall have and may exercise the powers of the Board in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it.

The executive committee shall also have the power of general supervision, management, and control of the business of the corporation and over its several officers.

Appointments to the executive committee shall be by a majority vote of the directors then in office. A majority of all the members of the executive committee may determine its rules of procedure unless the Board shall otherwise provide. The Board shall have the power to change the members of the executive committee at any time, either with or without cause and to fill vacancies; provided that all appointments to the executive committee shall be by a majority vote of the directors then in office. The compensation, if any, of each member of the executive committee shall be as prescribed from time to time by the Board

Any action which under the provisions of the Law may be taken at a meeting of the executive committee, may be taken without a meeting, if all members of the executive committee shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the executive committee. The actions by written consent shall have the same force and effect as the unanimous vote of all members of the executive committee. For the purposes of this Section 3.18, "all

members of the executive committee" shall not include an "interested director" as defined in Section 5233 of the Law.

Section 3.19. STANDING OR SPECIAL COMMITTEES. In the event that the Board determines that the management of the corporation would be benefited by the establishment of one or more standing or special committees in addition to the executive committee, the Board, may from time to time establish one or more such committees to serve at the pleasure of the Board.

The establishment of a standing or special committee shall be effected by a resolution of the Board adopted by a majority of the directors then in office, provided that a quorum is present, which specifically sets forth the powers and duties delegated to such committee. Each such committee shall consist of two or more directors and shall be presided over by a director selected by the Board. Appointments to such committees shall also be by a majority vote of the directors then in office.

The term "standing committee" or "special committee" shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to make and implement decisions on behalf of the Board, or to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board. Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the chairman of each such standing or special committee, and meetings of standing or special committees may be called by the Board or the chairman of the standing or special committee.

Section 3.20. LIMITATIONS UPON COMMITTEES OF THE BOARD. No committee of the Board, including any executive committee, shall have any of the authority of the Board with respect to:

- (a) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (b) The fixing of compensation of the directors for serving on the Board or on any committee which has the authority of the Board;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of committees of the Board or the members thereof if such committee will have the authority of the Board;
- (f) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
- (g) The approval of any self-dealing transaction, except that when it is not reasonably practicable to obtain approval of the Board prior to entering into such a transaction, a committee authorized by the Board may approve the transaction in a manner

consistent with the standards set forth in Section 5233(d) of the Law subject to ratification by a majority of the directors then in office (without counting the vote of any interested director) at the next meeting of the Board.

Section 3.21. ADVISORY COMMISSIONS. The Chairman of the Board, the Board, the executive committee or the President may from time to time appoint such advisory commissions as deemed appropriate, consisting of directors or persons who are not directors, but such advisory commissions shall not be deemed committees of the board and shall not exercise any powers of the Board. Notice of, and procedures for, meetings of advisory commissions shall be as prescribed by the chairman of each such advisory commission, and meetings of advisory commissions may be called by the Chairman of the Board, the Board, the executive committee, the President or the chairman of the advisory commission.

Section 3.22. FEES AND COMPENSATION.

(a) Directors and members of committees or commissions may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board.

(b) Notwithstanding the foregoing, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the Attorney General, provided, however, that the corporation may advance money to a director or officer

of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director, provided that in the absence of any such advance, such director or officer would be entitled to be reimbursed for such expenses by the corporation. Subject to the provisions of Section 3.04, nothing contained in these Bylaws shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor.

(c) The provisions of Subparagraph (b) of this Section 3.22 do not apply to the payment of premiums in whole or in part by a corporation on a life insurance policy on the life of a director or officer so long as repayment to the corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

(d) The provisions of Subparagraph (b) of this Section 3.22 do not apply to a loan of money to, or for the benefit of, an officer in circumstances where the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of the officer in order to secure the services or continued services of the officer and the loan is secured by real property located in the state.

ARTICLE IV

OFFICERS

Section 4.01. OFFICERS. The officers of the corporation shall be a President, a Secretary and a Treasurer. The corporation may also have, at the

discretion of the Board, a Chair of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers with such titles and duties as shall be stated in these Bylaws or determined by the Board and as may be necessary to enable it to sign instruments and as may be elected or appointed in accordance with the provisions of Section 4.03 of these Bylaws. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chair of the Board

Section 4.02. ELECTION. The officers of the corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 4.03 or Section 4.05 of these Bylaws, shall be chosen by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. Such officers shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected and qualified. Officers may, but need not be, directors of the corporation.

Section 4.03. SUBORDINATE OFFICERS. The Board may elect, and may empower the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4.04. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the Board at any time or, except in the

case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any such removal shall be subject to the rights, if any, of an officer under any contract of employment.

Any officer may resign at any time upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 4.06. CHAIR OF THE BOARD. The Chair of the Board, if there is such an officer, shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board.

Section 4.07. PRESIDENT. Subject to such powers, if any, as may be given by the Board to the Chair of the Board, if there is such an officer, the President is the general manager of the corporation and has, subject to the control of the Board, general supervision, direction and control of the business and affairs of the corporation. In the absence of the Chair of the Board, the

President shall preside at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 4.08. VICE PRESIDENTS. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 4.09. SECRETARY. The Secretary shall keep or cause to be kept, at the principal office of the corporation or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the corporation's Articles and these Bylaws, as amended to date

The Secretary shall give, or cause to be given, notice of all meetings of the Board and its committees required by law or by these Bylaws to be given, shall keep the seal of the corporation (if any) in safe custody, and shall

have such other powers and perform such other duties as may be prescribed by the Board.

Section 4.10. TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President and the directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board. The Treasurer shall serve as the Chief Financial Officer of the corporation for purposes of the Law.

ARTICLE V

OTHER PROVISIONS

Section 5 01. ENDORSEMENT OF DOCUMENTS; CONTRACTS.

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the corporation and any other person, when signed by any one (1) of the Chair of the

Board, the President or any Vice President and by any one (1) of the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the corporation, is not invalidated as to the corporation by any lack of authority of the signing officers in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount

Section 5.02. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President, or any other officer or officers authorized by the Board or the President, are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by such officer in person or by any other person authorized to do so by proxy or power of attorney duly executed by said officer.

Section 5.03. CONSTRUCTION AND DEFINITIONS Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 5.04. AMENDMENTS. These Bylaws may be amended or repealed by the approval of a majority of the directors then in office; provided, however, that Section 3.03 may not be amended to change the right of any person to designate a director or directors without that person's written consent

Section 5.05. MAINTENANCE OF CERTAIN RECORDS.

(a) The corporation shall keep at its principal office in the State of California the original or a copy of the Articles and these Bylaws as amended to date.

(b) The accounting books, records, minutes of proceedings of the Board and the executive committee, if any, of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal business office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form

(c) The original or a copy of these Bylaws or of the minutes of any incorporators', members', directors' committee or other meeting or of any resolution adopted by the Board or a committee thereof, certified to be a true copy by a person purporting to be the Secretary or an Assistant Secretary of the corporation, is prima facie evidence of the adoption of such bylaws or resolution or of the due holding of such meeting and of the matters stated therein.

Section 5.06. ANNUAL REPORT. The Board shall cause an annual report to be furnished to the directors not later than one hundred and twenty (120) days after the close of the corporation's fiscal year. The annual report shall be accompanied by any report thereon of independent accountants or, if there is no such accountant's report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation. The annual report shall contain in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year,
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; and
- (e) Any information required by Section 5.07 of these Bylaws.

Section 5.07 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS.

(a) The corporation shall furnish annually to its directors a statement of any covered transaction or indemnifications described below, if such covered transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 5.06 of these Bylaws. A covered transaction under this Section 5.07 is a transaction in which the corporation was a party, and in which either of the following interested persons had a direct or indirect material financial interest (excluding a mere common directorship):

(i) Any director or officer of the corporation, or its parent or subsidiary, or

(ii) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary.

(b) The statement required by this Section 5.07 shall describe briefly

(i) Any covered transaction (including compensation of officers and directors) during the previous fiscal year involving more than \$50,000, or which was one of a number of covered transactions in which the same interested persons had a direct or indirect material financial interest and which transactions in the aggregate involve more than \$50,000.

(ii) The names of the interested persons involved in such transactions, stating such person's relationship to the corporation, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest, *provided that* in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

(iii) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation

Section 5.08. INDEMNIFICATION. The corporation shall, to the maximum extent permitted by the Law and Section 4958 of the Internal Revenue Code of 1986, as amended (the "Code"), indemnify each of its directors and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was a director or an officer of the corporation and shall advance to such director or officer expenses incurred in defending any such proceeding to the maximum extent permitted by the Law and Section 4958 of the Code. For purposes of this Section 5.08, a "director" or an "officer" of the corporation includes any person who is or was a director or an officer of the corporation, or is or was serving at the request of the corporation as a director or an officer of another corporation, or other enterprise, or was a director or an officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor

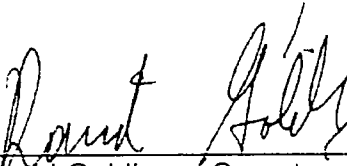
corporation. The Board may in its discretion provide by resolution for such indemnification of, or advance of expenses to, other agents of the corporation, and likewise may refuse to provide for such indemnification or advance of expenses except to the extent such indemnification is mandatory under the Law.

[certification follows]

CERTIFICATION

I hereby certify that I am the secretary of William Lawrence and Blanche Hughes Foundation and that the foregoing bylaws are the bylaws as adopted by the Board of Directors on November 30, 2010 and that these bylaws have not been amended or modified since that date.

Dated. November 30, 2010

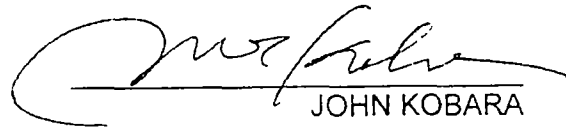


David Goldberg, Secretary

**CONSENT OF CALIFORNIA COMMUNITY FOUNDATION
TO AMEND BYLAWS OF THE
WILLIAM LAWRENCE AND BLANCHE HUGHES FOUNDATION**

The undersigned, JOHN KOBARA, Chief Operating Officer of California Community Foundation, hereby consents to the amendment of the Bylaws of the WILLIAM LAWRENCE AND BLANCHE HUGHES FOUNDATION.

Executed at Los Angeles, California, on Nov 30, 2010


JOHN KOBARA